



GOV. MSG. NO. 1193

EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

May 31, 2013

The Honorable Donna Mercado Kim,
President
and Members of the Senate
Twenty-Seventh State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

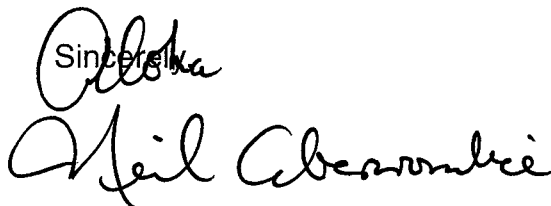
The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Seventh State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on May 31, 2013, the following bill was signed into law:

SB1206 SD1 HD1 CD1

RELATING TO TAX COLLECTION
ACT 093 (13)

Sincerely,

NEIL ABERCROMBIE
Governor, State of Hawaii

Approved by the Governor
on MAY 31 2013

ACT 083

THE SENATE
TWENTY-SEVENTH LEGISLATURE, 2013
STATE OF HAWAII

S.B. NO. 1206
S.D. 1
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO TAX COLLECTION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. Section 231-13, Hawaii Revised Statutes, is
2 amended to read as follows:
- 3 "§231-13 Director; examination, investigation, and
4 collection. (a) The director of taxation shall be responsible
5 for the collection and general administration of all taxes,
6 including delinquent taxes. Notwithstanding any other law to
7 the contrary, the director, by contract, may select and retain
8 bonded collection agencies, licensed attorneys, accountants, and
9 auditors or other persons for the purpose of assessment,
10 enforcement, or collection of taxes from persons subject to the
11 provisions of title 14 administered by the department.
- 12 (b) At the option of the director, any contract entered
13 into under this section may provide for compensation on:
- 14 (1) A fixed price basis;
15 (2) An hourly rate basis with or without a fixed cap; or
16 (3) A contingent fee arrangement to be specified in the
17 contract; provided that this paragraph shall not apply
18 to auditors and accountants.



1 All compensation shall be payable out of the taxes
2 recovered for the State or from the [~~debtor~~] taxpayer in
3 accordance with the terms of, and up to the amount authorized by
4 the contract, unless otherwise determined by the director."

5 SECTION 2. (a) The director of taxation shall submit a
6 report to the legislature regarding any contract entered into
7 under section 231-13, Hawaii Revised Statutes, as amended by
8 this Act, during the period beginning on the effective date of
9 this Act and ending on June 30, 2017, for the assessment,
10 enforcement, or collection of taxes. All reports under this
11 subsection shall be submitted to the legislature within fourteen
12 days after the contract is entered into.

13 (b) The director of taxation shall submit an annual report
14 of all contracts entered into under section 231-13, Hawaii
15 Revised Statutes, as amended by this Act, during the one-year
16 period ending on November 30 of each year for the assessment,
17 enforcement, or collection of taxes. Annual reports under this
18 subsection shall be submitted to the legislature no later than
19 twenty days prior to the convening of each regular session of
20 the legislature, beginning with the regular session of 2014 and
21 ending with the regular session of 2017.



1 (c) All reports submitted to the legislature pursuant to
2 this section shall include the following information regarding
3 contracts under section 231-13, Hawaii Revised Statutes, as
4 amended by this Act:

5 (1) The purpose and scope of the contract;

6 (2) The terms of the contract; and


7 (3) The cost of the contract;

8 provided that annual reports submitted pursuant to subsection
9 (b) shall also include a summary and analysis of the effect of
10 this Act to date on the assessment, enforcement, and collection
11 of taxes.

12 SECTION 3. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect upon its approval;
15 provided that on June 30, 2017, this Act shall be repealed and
16 section 231-13, Hawaii Revised Statutes, shall be reenacted in
17 the form in which it read on the day immediately prior to the
18 effective date of this Act.

APPROVED this 31 day of MAY, 2013



GOVERNOR OF THE STATE OF HAWAII